

## A SALES SUCCESS STORY

Robert Wigood graduated from Mohawk College in 2004 from the Business Marketing program. Since then, he has been able to combine his enjoyment of woodworking with his professional career. He has the best of both worlds.

Rob has been working for Upper Canada Forest Products as a sales representative since 2004. Working for this lumber goods wholesaler, Rob has progressed from being a team lead on a six-person sales desk handling incoming calls to managing more than 150 accounts in the Mississauga, Niagara Peninsula, and New York areas.

As Rob states, “My job is to focus on creating a business partnership with customers, not just selling them ... I travel to customers daily and discuss their business needs in an effort to supply them with industry-leading products and services.”

Managing this size of a territory can be very challenging, and Rob attributes some of his success to the time-management skills he developed while attending college. His favourite part of this job is the relationships he is able to build with a wide variety of customers.



For aspiring salespeople, Rob advises that “You should always want the order. Selling is only as good as your last order—so make it your own, and go get the business!”

**MOHAWK**  
COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## PART I



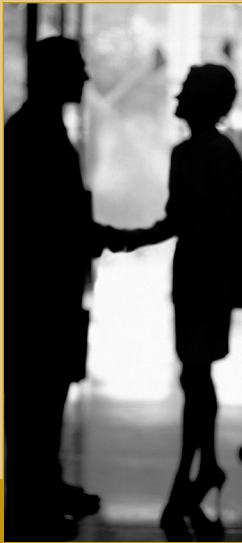
## SELLING AS A PROFESSION

The introductory part of *ABC's of Relationship Selling* is an overview of the sales profession, in which we will examine the sales job itself as well as different types of selling careers. Included in this part are:

- Chapter 1 The Life, Times, and Career of the Professional Salesperson
- Chapter 2 Social, Ethical, and Legal Issues Awareness

# 1

## The Life, Times, and Career of the Professional Salesperson



### MAIN TOPICS

What Is Selling?  
Why Choose a Sales Career?  
Is a Sales Career Right for You?  
Success in Selling—What Does It Take?  
Relationship Selling  
Sales Jobs Are Different  
What Does a Professional Salesperson Do?  
Relationship Marketing  
Levels of Relationship Marketing  
The Plan of This Textbook  
Building Relationships through the Sales Process

### LEARNING OBJECTIVES

This chapter introduces you to the rewarding career of professional selling. After studying this chapter, you should be able to:

- Define and explain the term selling.
- Explain why everyone sells, even you.
- Discuss the reasons why people might choose a sales career.
- Identify the many different types of sales jobs and discuss their responsibilities.
- Define the characteristics that are needed for success in building relationships with customers.
- Discuss the rewards inherent in a sales career.
- List and explain the 10 steps in the sales process.

## FACING A CAREER CHALLENGE

Chin Lee graduated from Conestoga College with a degree in computer technology. After graduation, Chin was hired by a major technology-oriented company in eastern Canada as a computer technician. After three years in this position, Chin decided that it was time for a change and hence requested and was given a transfer to the sales department.

“My first love was computers. I went to school to become an expert in technology but this became a bit boring after a few years. When I moved to sales, I was very frightened at first as I didn’t have a lot of practice dealing with people and their problems, but I soon learned that my technical knowledge allowed me to become very proficient at solving customer problems. The more I worked with people, the more I enjoyed it. It was exciting and very rewarding.”

Chin never looked back. Before long, he had become one of the leading producers in the sales department. With that came many financial and personal rewards, as well as job offers from some of the companies Chin was selling to. However, Chin felt he had the perfect job and decided to stay put.

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David Ogilvy, one of the fathers of modern advertising, said it best: “We sell or else” — quite an admission from an advertising expert. His implication was that nothing happens in business until someone sells something and an exchange transaction takes place.

In spite of the growth of Internet marketing and electronic commerce, it is the efforts of salespeople that have an impact on virtually every field of business. Selling is an honourable, challenging, and rewarding career.

Chapter 1 will examine the reasons why people choose sales careers and will provide information about success criteria in a sales role.

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## WHAT IS SELLING?

Many people consider *selling* and *marketing* synonymous terms. However, selling is actually only one of many marketing components. In business, **personal selling** refers to the personal communication of information to persuade a prospective customer to buy something—a good, service, idea, or something else—that satisfies that individual’s needs on a personal level, or on a business level when an individual is purchasing for a company.

This definition of selling involves one person helping an individual or a group. The salesperson often works with prospects or customers to examine their needs, provide information, suggest a product to meet their needs, and provide after-the-sale service to ensure long-term satisfaction.

The definition also involves communications between seller and buyer. The salesperson and the buyer discuss needs and talk about the product relative to how it will satisfy the person’s needs.

## Everybody Sells!

If you think about it, everyone is involved with selling. Children develop communication skills early in life to get what they want. When you want something or want someone to do something, you use your natural selling skills. When you attempt to get a date, ask for a pay raise, urge your professor to raise your mark, provide cost-effective solutions to buyers, or deal with customer service representatives in large companies, you are using personal selling skills. Perhaps after completing this text, you will become more effective in each of the above situations. Your ability to communicate effectively is a key to your success in life.

Sales courses are full not only with people who want to improve their professional selling skills for increased success in their business lives, but also with individuals

## MAKING THE SALE

### Virtual Presentations

**K**risti Peters, a manufacturer's agent, represents Steam Technologies, a company specializing in steam generating equipment used in many industrial applications. Kristi relishes the job, as it allows her to apply the knowledge and skills she developed while completing two different programs of study. While at college she completed her diploma in engineering technology, and while job searching she discovered the area of marketing so she enrolled in a certificate program specializing in professional selling.

Kristi loves her job. She is adept at communicating the benefits of Steam Technologies to a variety of customers. At first, she found it a little difficult to overcome the stereotypical sales professional. Many customers found it surprising that a female would be involved with a technical product, and calling on companies that would be using the product for some rugged industrial applications was initially challenging. As Kristi states, "There is often some initial reluctance, but once they discover that I really know my stuff, we are able to build quite a good professional relationship."

One of Kristi's responsibilities is to locate potential users of her product line, contact them, and introduce her product's many uses. Because her prospects are often diverse in both their needs and geographic areas, she finds it difficult to travel to each one to make a customized

presentation. Kristi recalled that during her time learning professional selling skills she studied the benefits of digital photography and Web conferencing. She turned this idea into action by purchasing both a digital movie camera and digital SLR. When making follow-up visits to her many and varied customers, she got permission to photograph and film the steam technologies in action.

With this digital information in hand and using some presentation software, she has been able to edit and massage it into an effective sales aid. Now, rather than travelling thousands and thousands of kilometres each year to meet customers and introduce her product, Kristi is able to make an effective presentation by telephoning prospects and having them log on to her Web site so she can communicate in real time while visually demonstrating her product's benefits through her prospect's computer screen.

Since starting this practice, Kristi has saved thousands of hours in travel time without sacrificing the effectiveness of visual presentations. Now she uses her travel time to close the deal rather than to introduce it. Her productivity has increased sharply and she has recently begun to make virtual group presentations using Web conferencing software. As she states, "Technology has sure come a long way and it is still moving ahead rapidly—by keeping up, I'm able to accomplish twice as much as I used to."

who want to enhance their personal communication skills. Learning how to communicate to others how your ideas or products can satisfy their needs will be invaluable throughout your life.

Although trained as professional purchasing agents or buyers, many of these professionals also see the value of learning effective sales skills. Some might believe that they are simply trying to learn the "tricks" of the trade to arm themselves for the onslaught of sales representatives. The truth of the matter is that most simply want to enhance their performance by gaining an understanding of the salesperson's perspective. This would certainly lead to more effective purchasing, negotiation, and selling.

The skills and knowledge gained from a selling course can be used by a student who plans to go into virtually any field, such as law, financial services, medicine, journalism, or the military, or by those who start their own business.

Selling is not just for salespeople; it is a must for everyone. Even if you never actually hold a "sales job," you will need to sell in a range of activities that include everything from your own garage sale to selling yourself in a job interview.

In today's competitive environment, where good interpersonal skills are so valued, the lack of selling capability can put anyone at a disadvantage. So as you read this book and progress through the course, think about how you can use the material both personally and in business. Think about how each area of selling can be used not only professionally, but in your personal life as well.

**EXHIBIT 1-1**

Where selling fits in

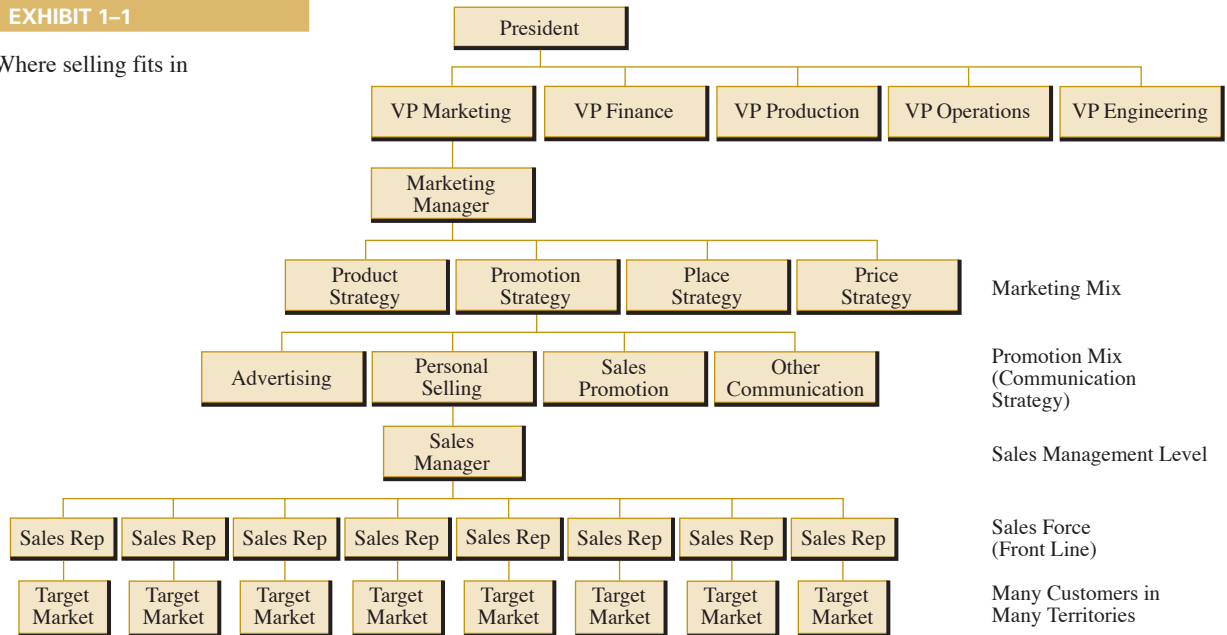


Exhibit 1-1 shows a simplified organizational chart for a marketing-oriented organization. Most modern organizations are committed to the concept that their target market’s needs are paramount in organizational decision making. Although research departments can study markets to determine their buying habits and needs, it is the sales force that acts as front-line representatives for companies. Salespeople act as a communication medium between their company and their target market. Part of the selling job entails learning about market needs, relaying that information to company strategists, and communicating to the market how the company’s products can satisfy their needs. Although personal selling is only one part of the promotional element, which in turn is only one part of the marketing mix, today’s companies understand the importance of using well-trained and effective salespeople and the contribution that they make to the bottom line.

**WHY CHOOSE A SALES CAREER?**

Five major reasons for choosing a sales career are (1) the wide variety of sales jobs available, (2) the freedom of being on your own, (3) the challenge of selling, (4) the opportunity for advancement in a company, and (5) the rewards of a sales career.

**The Sales Force – Past, Present, and Future**

Historically, due to the attitudes and philosophies of business owners, salespeople have developed a reputation for being “fast talking,” “high pressure,” and “slick.” As marketing philosophies evolved through the production and sales eras, it was the company’s sales force that ensured its success. Salespeople were expected to “hustle” up business and “push” their products on people regardless of whether they were needed or not. It’s no wonder that the sales profession has developed such a bad reputation.

As companies started to adopt a marketing philosophy, where consumers’ needs are considered first and foremost, the sales job began changing. Because of increased competition, more sophisticated and knowledgeable consumers, and the expectation

by consumers that their needs will be met, salespeople today have evolved into true professionals who are expected to have product expertise and to develop a long-term relationship with their customers. Salespeople today are becoming “business solution providers”—or, as some have suggested, “buying facilitators.”

Advances in technology have had a huge impact on the selling profession in recent years and will continue to do so in the future. In particular, information technology will provide both opportunities and threats to tomorrow’s sales force.

Armed with wireless technology, salespeople can provide prospects and customers with increased service, in less time, from anywhere around the globe. Salespeople will travel less and use online audio and video conferencing more. This became evident after the events of September 11, 2001 caused many salespeople to reconsider the need for travelling. Stocks in companies that produced teleconferencing equipment skyrocketed as sales and businesspeople travelled far less often. As well, recent turbulence in the oil industry has resulted in higher fuel costs and, hence, higher travel costs resulting in salespeople reconsidering their travel plans.

Modern salespeople have a host of technology options to enhance their effectiveness. They can use Customer Relationship Management software to keep in contact and track a variety of information about the purchase behaviour of their customers.

The recognized importance of relationship building has created a need for Contact Management software, which allows salespeople to prospect effectively and maintain lines of communication with customers. Salespeople can also access Web-based Sales Automation Systems, which normally have a monthly charge for each user.

In addition, modern salespeople can use Computer Telephony Integration (CTI), which allows voice mail, fax, and e-mail and provides remote access to needed information.

Does all of this technology threaten the existence of salespeople? Some observers predict that salespeople will become obsolete as e-commerce enjoys increased popularity. We believe that salespeople will always be needed, although their role may change slightly. It appears that the sales job is evolving into that of sales consultant. Rather than simply operating as a “product information provider,” salespeople will evolve into “business success coaches.” For example, prospective customers may have access via the Internet to information about your products and those of your competitors. However, they will still need your personal contact and expertise to help them diagnose their specific needs and to communicate the best solution to satisfy them.

From a demographic perspective, the sales force of the future increasingly will reflect Canada’s diverse ethnic mix as well as certain social trends. For example, the increasing number of females in the professional world has spawned many opportunities for women in the field of professional selling, especially in industries where males have traditionally dominated.

There are many types of sales jobs available in Canada, falling into several categories. It is instructive to recognize that although industry or business classifications may vary from an intangible service, such as mutual funds, to a range of tangible products, such as photocopiers, the same basic principles of selling contained in this text will always apply.

## **Types of Sales Employment**

Sales positions vary by customer focus, educational and experience requirements, and duties and responsibilities, as well as position in a company’s hierarchy. In retail selling, salespeople focus on selling directly to the consumer of a product from either the confines of a traditional retail store, or another direct customer contact such as door-to-door, home demonstrations, and so on. In most types of selling,

salespeople are actively involved in selling in a business-to-business setting. These positions can involve selling products to an intermediary for resale or further processing, or selling products to companies that will then use them to help run their business.

You will note that as the type of sales job becomes more complex and better paying, the education requirements become higher as well. Many higher paying sales positions today are being filled by people who combine formal educational background with some product-related education.

### Careers in Selling

The following sales positions are representative of the sales profession in Canada. Salary figures and brief job descriptions originate from Monster.ca, a leading online global careers network.

**Sales Clerks** typically sell merchandise in a retail store, assisting customers with sales, returns, exchanges, and product knowledge. This type of sales job requires a high school diploma and up to two years of related experience. A sales clerk should possess knowledge of common practices and procedures relating to a particular product field. Sales clerks in Canada earn an average of \$27,000 to \$34,000 depending on location, type of company, and experience.

**Customer Service Representatives** are responsible for processing orders, preparing correspondence, and ensuring customer satisfaction in a variety of businesses. A high school diploma and two to five years of related experience is typically required, along with a general understanding of the tasks necessary to achieve sales and customer service goals. In this position, salespeople are allowed a certain degree of latitude and creativity to help them attain their goals. Customer service reps (CSRs) average \$29,000 to \$38,000 in income annually.

**Merchandisers** are not your typical salesperson. They are often referred to as “support” salespeople and are responsible for setting up displays and providing product literature on location in a customer’s premises. Merchandisers usually have good knowledge of the field in which they are working and often have a college diploma or associate degree. Merchandisers in Canada earn from \$27,000 to \$37,000 annually. Many merchandisers work flexible hours, including part time.

**Order Desk Clerks** are often referred to as inside sales reps in that they process and review orders received by mail, telephone, or online. This position requires a high school diploma and up to two years of related experience. Strict guidelines are followed and clerks should have a working knowledge of the products and procedures of their company. Annual salaries in this field average from \$28,000 to \$36,000.

**Sales Representatives** are responsible for developing new business and interacting with existing customers to increase sales of an organization’s products and/or services. Sales reps typically have at least a high school diploma and several years of experience in a particular field. Sales reps are more independent and are expected to use their own judgment and experience to plan and achieve sales goals. Sales reps, depending on the products and companies they work with, earn in the range of \$45,000 to \$67,000 annually.



**Senior Sales Representatives** have similar duties to a sales representative, the difference being that they are required to perform more complicated tasks and are often expected to lead and direct others. A great degree of latitude and creativity is expected here, and senior reps typically report to a manager. The higher complexity of the job allows them to earn from \$60,000 to \$92,000 per year.

**Technical Sales Representatives** can earn from \$36,000 to \$80,000 per year depending on their level of expertise and the nature of the products they are dealing with. These sales reps typically have at least a college diploma and possibly an undergraduate or graduate degree. Technical sales reps are typically responsible for increasing sales to accounts by interacting with customers and providing them with technical knowledge and solutions.

**Key Account Representatives** oversee the customer relationships within a designated territory. These reps need to identify key accounts and develop ongoing relationships with them to increase sales. This popular job requires a college diploma or university degree and in most cases several years of experience in the field. These reps require good judgment and creativity to help them establish and achieve goals. Key account reps earn from \$63,000 to \$95,000 and up per year.

**Business Solutions Specialists** collaborate with customers and use their education and experience to develop product enhancements or alterations necessary for a sale. These reps normally have extensive experience and must understand and perform a variety of tasks related to their field. They often must direct the work of others, and for these skills they earn from \$50,000 to \$66,000 annually.

**Top Sales Executives** earn a median salary in Canada of \$162,000 per year. These sales executives plan and direct all aspects of an organization's sales policies, objectives, and initiatives. This position typically requires a bachelor's degree and several years of experience. Reporting to top management, these executives can often achieve salary levels well in excess of the median.

### Order Takers versus Order Getters

Historically, there has been a distinction drawn between order-takers and order-getters. **Order-takers** may ask what the customer wants or even wait for the customer to order. They do not have a sales strategy and do not use creative sales presentations. Order-takers seldom attempt to "close" a sale. Although they do perform many useful services, few truly *create* sales.

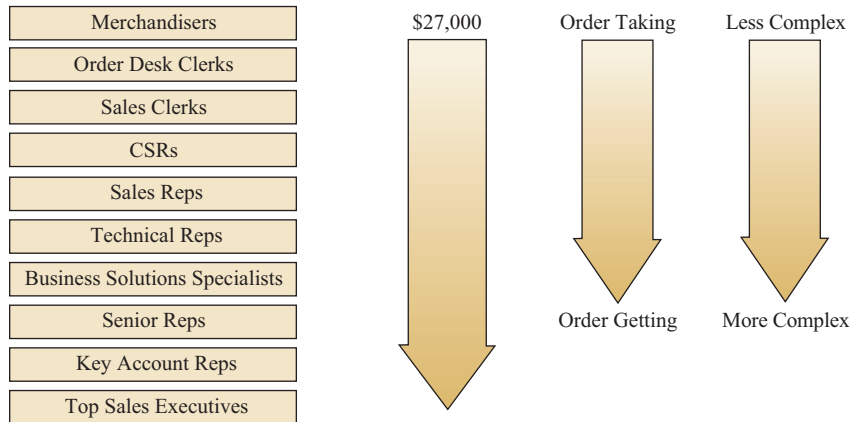
**Order-getters**, on the other hand, are responsible for generating new business by using many different means. Due to the highly competitive nature of the business world, companies strive to employ the most effective order getters possible as these are the people who drive the success of the company. These people get new and repeat business using creative sales strategies and executing effective sales presentations. This salesperson faces an infinitely more difficult task than that of the order taker. In this sense the individual is truly a creative salesperson, which is why they usually earn so much more than the order-taker.

Exhibit 1–2 shows a continuum of sales jobs and compares their complexity and salaries.



**EXHIBIT 1-2**

A continuum of sales jobs, comparing complexity and salary



**Freedom of Action: You're on Your Own**

A second reason why people choose a sales career is the freedom it offers. A sales job provides possibly the greatest relative freedom of any career. Experienced employees in outside sales usually receive little direct supervision and may go for days, even weeks, without seeing their bosses. The term “outside sales” refers to selling activities external to the employer’s premises. These contracts involve person-to-person contact between the sales representative and customer or prospective customer. By contrast, inside sales occur on the premises as in retail selling or telemarketing.

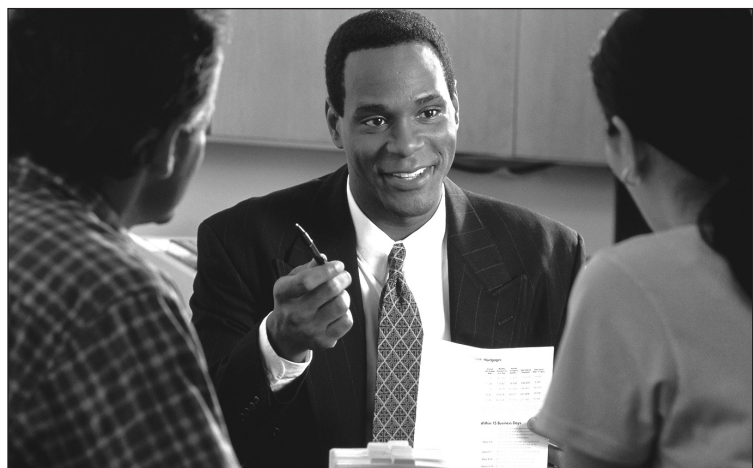
Job duties and sales goals are explained by a boss. Salespeople are expected to carry out their job duties and achieve goals with minimum guidance. They usually leave home to contact customers around the corner or around the world.

**Job Challenge Is Always There**

Working alone with the responsibility of a territory capable of generating thousands (sometimes millions) of dollars in revenue for your company is a personal challenge. This environment adds great variety to a sales job. Salespeople often deal with hundreds of different people and firms over time. It is much like operating your own business, without the burdens of true ownership.

**EXHIBIT 1-3**

Selling services offers excellent career opportunities; banks, hotels, airlines, and travel agencies are industries that need professional salespeople.



## Opportunities for Advancement Are Great

Successful salespeople have many opportunities to move into top management positions. In many instances, this advancement comes quickly. For example, General Mills and Quaker Oats may promote successful salespeople to managerial positions, such as district sales managers, after they have been with the company for only two years.

A sales personnel **career path**, as Exhibit 1–4 depicts, is the upward sequence of job movements during a sales career. Occasionally people without previous sales experience are promoted to sales management positions. However, 99 percent of the time, a career in sales management begins with an entry-level sales position. Firms believe that an experienced sales professional has the credibility, knowledge, and background to assume a higher position in the company.

Most companies have two or three successive levels of sales positions, beginning at the junior or trainee level. Beginning as a salesperson allows a person to:

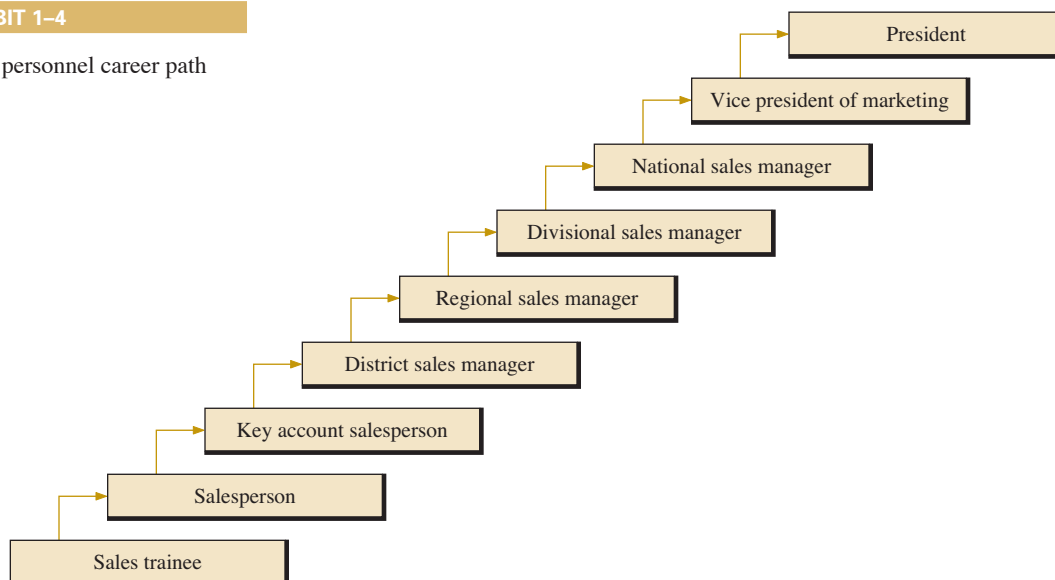
- Learn about the attitudes and activities of the company's salespeople.
- Become familiar with customer attitudes toward the company, its products, and its salespeople.
- Gain first-hand knowledge of products and their applications, which is most important in technical sales.
- Become seasoned in the business world.

When asked why they like their job, first-line sales managers say it is because of the rewards. By rewards, they mean both financial and nonfinancial rewards, such as the challenge and the feeling of making a valuable contribution to their salespeople and the company. Managers also frequently mention that this position represents their first major step toward the top. They have made the cut and are on the management team. Instead of being responsible for \$1 million in sales as a salesperson, the manager is responsible for \$10 million.

With success, many jobs throughout the sales force and in the corporate marketing department open up. These jobs can include sales training, sales analysis, advertising, and product management. Frequently, travelling the upward career path

### EXHIBIT 1–4

A sales personnel career path



involves numerous moves from field sales to corporate sales, back to the field, then to corporate, back to the field, and so on. However, sales experience prepares people for more responsible jobs in the company.

Success also brings financial rewards. The larger a company's revenues, the heavier the responsibility of the chief executive and the larger the compensation. Today, it's common for a CEO of a large national corporation to receive compensation totalling more than \$1 million annually.

Leaving aside compensation at the top echelons, both corporate and field sales managers typically receive higher salaries than others (such as production, advertising, product, or personnel managers) at the same organizational level. Salary is just one part of compensation. Many firms offer their sales personnel other cash and noncash remuneration or perks (short for perquisites). In the noncash category, for example, many companies, recognizing the need for a certain level of customer entertainment, offer club memberships for business use as well as personal memberships for health clubs. Group medical plans, including dental, extended health, disability, and life insurance, are common. Most companies now offer cellular phones for sales representatives, and many offer laptop computers for use from home. Other offerings can range from pension plans and stock purchases to personal financial planning and low-interest personal loans. Many companies embrace the concept of life-long learning and provide educational reimbursement programs for employees seeking to further their education.

From a cash perspective, the most common offering is a performance bonus based on achievement of sale targets. Other bonuses based not on personal performance but on overall company performance in sales or profitability are also common.

Although there is some variation by region, one of the enduring aspects of professional selling is some form of compensation for travel. Many companies provide company cars for use by their sales representatives. In the remaining companies, either a monthly allowance, a per kilometre allowance, or a combination is provided.

### **Rewards: The Sky's the Limit**

As a salesperson, you can look forward to two types of rewards: **nonfinancial** and **financial**.

#### **Nonfinancial Rewards**

Sometimes called psychological income or intrinsic rewards, nonfinancial rewards are generated by the individual, not given by the company. You know the job has been done well—for instance, when you have skillfully delivered a sales presentation.

Successfully meeting the challenges of the job produces a feeling of self-worth: You realize that your job is important. Everyone wants to feel good about a job, and a selling career allows you to experience these good feelings and intrinsic rewards daily. Salespeople often report that the nonfinancial rewards of their jobs are just as important to them as the financial rewards.

After training, a salesperson is given responsibility for a sales territory. The person then moves into a regular sales position. In a short time, the salesperson can earn the status and financial rewards of a senior sales position by contacting the larger, more important customers. Some companies refer to this function as a key account sales position.

*Different Kinds of Incentives* Incentives for professional salespeople are becoming more innovative all the time as sales managers attempt to motivate their sales forces.

## SELLING GLOBALLY



## When in Rome, Do What the Romans Do

Imagine Canadian salesperson Harry Slick starting out on his overseas business trip. The following events occur on his trip:

1. In England, he phones a long-term customer and asks for an early breakfast business meeting so that he can fly to Paris at noon.
2. In Paris, he invites a business prospect to have dinner at La Tour d'Argent and greets him with, "Just call me Harry, Jacques."
3. In Germany, he arrives 10 minutes late for an important meeting.
4. In Japan, he accepts the business cards of his hosts and, without looking at them, puts them in his pocket.

How many orders is Harry Slick likely to get? Probably none, although his company will face a pile of bills.

International business success requires that each businessperson understand and adapt to the local business culture and norms. Here are some rules of social and business etiquette that managers should understand when doing business in other countries.

- France** Dress conservatively, except in the south where more casual clothes are worn. Do not refer to people by their first names—the French are formal with strangers.
- Germany** Be especially punctual. A businessperson invited to someone's home should present flowers, preferably unwrapped, to the hostess. During

introductions, greet women first and wait until they extend their hand before extending yours.

**Italy** Whether you dress conservatively or go native in a Giorgio Armani suit, keep in mind that Italian businesspeople are style conscious. Make appointments well in advance. Prepare for and be patient with Italian bureaucracies.

**United Kingdom** Toasts are often given at formal dinners. If the host honours you with a toast, be prepared to reciprocate. Business entertaining is done more often at lunch than at dinner.

**Saudi Arabia** Although men kiss each other in greeting, they never kiss a woman in public. A woman should wait for a man to extend his hand before offering hers. When a Saudi offers refreshment, accept; declining it is an insult.

**Japan** Don't imitate Japanese bowing customs unless you understand them thoroughly—who bows to whom, how many times, and when. It's a complicated ritual. Presenting business cards is another ritual. Carry many cards, present them with both hands so your name can be easily read, and hand them to others in descending rank. Expect Japanese business executives to take time making decisions and to work through all of the details before making a commitment.<sup>1</sup>

For example, some companies offer their top performers foreign postings in more exotic locations, which can serve to rejuvenate a tired sales professional.

In other companies, management attempts to motivate salespeople by providing highly visible recognition in the form of public advertising and internal promotion of top performers. How often in a company do you see the top administrators recognized? For the sales department this is a common practice, whereby salespeople are given the recognition they deserve. After all, if it were not for them, the company probably wouldn't be in operation.

Aside from these, all-expenses-paid vacations, gifts of electronic goods, and gift vouchers are all part of the innovative incentive schemes used by sales management in organizations.

**Two Career Paths** Don't let Exhibit 1–4 mislead you—many salespeople prefer selling to managing people. They want to take care of themselves rather than others. In some companies, a salesperson may even earn more money than the manager.

Many companies have recognized the value of keeping some salespeople in the field for their entire sales career. They do a good job, know their customers, and love what they are doing—so why promote them if they do not want to move up within the organization? However, many other people work hard to move into management.

**You Can Move Quickly into Management** The first managerial level is usually the district sales manager's position. It is common for people to be promoted to this position within two or three years of joining the company. From district sales manager, a person may move into higher levels of sales management.

### Financial Rewards

Many people are attracted to selling because in a sales career, financial rewards are usually based solely on performance. Many professional salespeople have opportunities to earn large salaries. Their salaries on average are higher than salaries for other types of workers at the same organizational level.

As discussed earlier in this chapter, the financial rewards for professional sales people can be high (see Exhibit 1–5) and are generally higher than equivalent positions in other corporate departments, such as manufacturing, finance, or personnel.

A good comparison can be made between a variety of sales jobs using the Internet. Several Web sites listed at the end of this chapter have tools for researching sales salaries. The Web sites [www.monster.ca](http://www.monster.ca) and [www.payscale.com](http://www.payscale.com) have very useful tools that allow you to determine salary levels for different kinds of salespeople with different levels of experience and education, based on where they work in Canada.

#### EXHIBIT 1–5

Compensation by position

CPSA's 2005/2006 Sales Compensation Report Compensation Ranges Based on Position Title	
Directors of Sales and Marketing	\$86,800–123,600
Directors of Divisional or Regional Sales	\$77,800–112,100
Sales and Marketing Managers	\$59,200–118,800
District Sales Managers	\$56,500–116,800
Territory Sales Managers	\$56,600–110,900
Sales Representatives	
Junior	\$33,100–48,700
Intermediate	\$37,900–75,400
Senior	\$53,300–98,500
Technical Sales Representatives	
Junior	\$34,300–83,000
Intermediate	\$41,800–79,800
Senior	\$55,100–104,500
Key Account Representatives	\$57,100–109,200
Customer Service/Technical Support	\$30,800–52,900

## IS A SALES CAREER RIGHT FOR YOU?

It may be too early in life to determine whether you really want to be a salesperson. The balance of this book will aid you in investigating sales as a career. Your search for any career begins with *you*. In considering a sales career, be honest and realistic. Ask yourself questions such as

- What are my past accomplishments?
- What are my future goals?
- Do I want to have the responsibility of a sales job?
- Do I mind travel? How much travel is acceptable?
- How much freedom do I want in the job?
- Do I have the personality characteristics for the job?
- Am I willing to transfer to another city? Another province?

Your answers to these questions can help you analyze the various types of sales jobs and establish criteria for evaluating job openings. Determine the industries, types of products or services, and specific companies in which you have an interest.

College placement offices, libraries, and business periodicals offer a wealth of information on companies as well as sales positions in them. Conversations with friends and acquaintances who are involved in selling or have been in sales can give you realistic insight into what challenges, rewards, and disadvantages the sales vocation offers. To better prepare yourself to obtain a sales job, you must understand what companies look for in salespeople.

## A Sales Manager's View of the Recruit

The following discussion of what sales managers consider when hiring a salesperson is based on a summary of a talk given by a sales manager to a sales class. It is reasonably representative of what companies look for when hiring salespeople.

We look for outstanding applicants who are mature and intelligent. They should be able to handle themselves well in the interview, demonstrating good interpersonal skills. They should have a well-thought-out career plan and be able to discuss it rationally. They should have a friendly, pleasing personality. A clean, neat appearance is a must. They should have a positive attitude, be willing to work hard, be ambitious, and demonstrate a good degree of interest in the employer's business field. They should have good grades and other personal, school, and business accomplishments. Finally, they should have clear goals and objectives in life. The more common characteristics on which applicants for our company are judged are (1) appearance, (2) self-expression, (3) maturity, (4) personality, (5) experience, (6) enthusiasm, and (7) interest in the job.

People often consider sales careers because they have heard that people can earn good salaries selling. They think anyone can sell. These people have not considered all the facts. A sales job has high rewards because it also has many important responsibilities. Companies do not pay high salaries for nothing. As you will see in this book, a sales career involves great challenges that require hard work by qualified individuals. Let us review the characteristics of a successful salesperson.

## SUCCESS IN SELLING—WHAT DOES IT TAKE?

Throughout this book you will read comments from salespeople about their jobs. Over the years, we have asked thousands of salespeople the question "What makes a salesperson successful?" The nine most frequently mentioned characteristics are

## MAKING THE SALE

### Don't Quit

**W**hen things go wrong, as they sometimes will,  
 When the road you're trudging seems all uphill,  
 When the funds are low and the debts are high,  
 And you want to smile, but you have to sigh,  
 When care is pressing you down a bit—  
 Rest if you must, but don't you quit.  
 Life is queer with its twists and turns,  
 As every one of us sometimes learns,  
 And many a person turns about  
 When they might have won had they stuck it out.

Don't give up though the pace seems slow—  
 You may succeed with another blow.  
 Often the struggler has given up  
 When he might have captured the victor's cup;  
 And he learned too late  
 When the night came down,  
 How close he was to the golden crown.  
 Success is failure turned inside out—  
 So stick to the fight when you're hardest hit—  
 It's when things seem worst that you mustn't quit.

*Author Unknown*

(1) love of their job, (2) willingness to work hard, (3) need to achieve success, (4) optimistic outlook, (5) knowledge of their job, (6) careful use of selling time, (7) ability to ask questions and listen to customers, (8) customer service, and (9) being physically and mentally prepared for life and the job. Some of these characteristics are described more fully next.

### Love of Selling

The successful salesperson is an individual who loves selling, finds it exciting, and is strongly convinced that the product being sold offers something of great value.

To be sure, a love of selling itself is one characteristic of successful salespeople. Salespeople quoted throughout this book make similar comments about how their enthusiasm for their work helps them to be successful. They possess an eagerness to do the job well, which causes them to work hard at selling.

### Willingness to Work Hard, Work Smart, Then Work Some More

One word means everything to a person's success in life. That word turns the dull mind into a bright mind. It turns the bright mind into a brilliant mind. It turns the brilliant person into a steadfast person. That word opens doors for you. That word rolls out red carpets for you. That word connects you to some of the most beautiful and powerful people in the world. That word gives every person success. That miracle magic word is **W-O-R-K**. A positive attitude toward work works wonders! Successful people are often described as lucky. However, they spell luck **W-O-R-K**. The harder they work, the luckier they get.

Successful salespeople say that even though they enjoy it, selling requires long hours of hard work, day in and day out, to reach personal goals. A 10- to 12-hour workday is common—including many Saturdays and Sundays. It is their love of work and their need for success that motivate the really top sellers—the sellers who make the really big bucks! The need to achieve also involves persistence.

With persistence often comes the ability to go beyond normal limits. Only our self-imposed limitations can hold us back. If we fail to realize success or if our success is limited, it is often due to preconceptions that throw an invisible barrier across our path. The following puzzle illustrates how we can be held back from



breaking through. The challenge is to connect all nine dots with four straight lines, without lifting your pencil from the paper. Try it!



It seems impossible to intersect all nine dots with four straight lines. How do you move something from the impossible to the possible? *Go beyond the limits.*

### Have an Optimistic Outlook

Salespeople credit a positive attitude toward their companies, products, customers, themselves, and life as major reasons for their success. Successful salespeople are enthusiastic, confident, and constantly think of themselves as successful. Sure, salespeople have times when things do not go as they want, yet their positive mental attitude helps overcome periodic problems. They continually look for methods to improve their attitudes.

Successful salespeople say that their greatest enemy is procrastination. The biggest obstacle is inertia. The most dangerous temptation is delaying. Getting started is the hardest part. Breaking loose and beginning is their toughest job. Top sales professionals realize that postponing can wipe out the opportunity to make a sale.

Successful salespeople don't use the word *someday*. They realize that what you do today determines your tomorrows. Thus, *tomorrow* is today! They always think of today as a new opportunity in their lives.

#### Today Is a New Day!

The sun is shining, the sky is blue!  
There's a new day dawning for me and you.  
With every dawning of the sun  
New possibilities have just begun.  
With every breaking of the morn  
Fresh opportunities are newly born.

*Robert Frost*

The early bird gets the worm: successful salespeople know it. They are do-it-now people. They pick up the phone, mail a letter, or make a sales call today to be successful tomorrow. In no other career is the need to think positively more important than in sales. As a salesperson, examine your inner self, commonly referred to as your self-concept, and make sure you have a positive, enthusiastic attitude toward yourself, your work, and your customers. This involves

- Believing in yourself.
- Thinking of yourself as a success.
- Being positive in your outlook on life and the job.

Optimism and hard work are building blocks for success. In addition, top salespeople believe job and product knowledge also are necessary for success in a sales career.

### Be Knowledgeable

Successful salespeople place great emphasis on being thoroughly knowledgeable in all aspects of their business. This helps them to project a professional image and to build customer confidence.

**SELLING TIPS****The Canadian Professional Sales Association**

**T**he Canadian Professional Sales Association (CPSA) is a national association comprising more than 30,000 sales and marketing professionals located in communities of all sizes in every part of Canada.

The CPSA was founded in 1874 by commercial travellers. Travelling vast sales territories across the country, CPSA members (known then as The Commercial Travellers Association) were the “road warriors” of the young Dominion. As the country matured in size, population, and economic vitality, opportunities for Canada’s sales professionals—commercial travellers—have increased. The success of CPSA members has in turn created employment opportunities and strengthened the various regions of Canada.

Today, CPSA members represent the full spectrum of the sales profession, including senior managers, entrepreneurs, sales managers, and sales representatives.

Providing sales professionals with the tools and resources to succeed has remained CPSA’s mandate throughout its 128 years of service. Based on the Association’s founding principles, CPSA members enjoy special rates on travel and hotels, car leasing and rentals, insurance, and financial services. CPSA has an outstanding professional development program that includes an extensive library of sales and marketing materials, national seminar and conference sessions, and sales training courses. This program enhances CPSA’s commitment to sales professionals across Canada.

Visit the CPSA Web site to learn more at <[www.cpsa.com](http://www.cpsa.com)>.

As goods and services become more complex, companies place greater emphasis on training their salespeople and on salespeople training themselves. It is no wonder that corporate recruiters seek above-average individuals to fill their entry-level sales positions.

Knowledge also includes awareness of the most up-to-date ideas concerning selling skills. Successful salespeople are expert at developing and presenting talks that sell their products. They constantly educate themselves on methods to better determine customers’ needs and to effectively communicate the benefits of their products to satisfy those needs.

Salespeople read books and magazine articles on selling and attend sales training courses to learn how to sell their products better. This knowledge is incorporated into sales presentations that are rehearsed until they sound like a natural conversation between seller and buyer. Remember that knowledge is power, but enthusiasm pulls the switch.

**Be Empathetic** **Empathy** is the ability to put yourself in someone else’s shoes. In subsequent chapters, you will learn the importance of determining customers’ needs and determining the many factors that can influence your prospect in their purchase decision making. Developing your empathy will allow you to feel what your prospect is feeling and be affected by what is affecting your prospect. By knowing these things, salespeople can be much more effective at satisfying customer needs and hence will become much more successful than those who don’t care.

**Be Ruthless about Time** The most successful people are ruthless about guarding their time. In daily activities, they instinctively understand the powerful secret to success that is called the Pareto principle.

The Pareto principle is named after the nineteenth-century economist Vilfredo Pareto, who found that in any human activity, the biggest results usually arise from a small number of factors. For example, studies have shown that most people spend

EXHIBIT 1-6

Salespeople work hard in becoming experts on their products and those of their competitors. Only then can they effectively use selling skills to provide information that helps customers.



80 percent of their time on the least important 20 percent of their jobs, and only 20 percent doing the work that yields 80 percent of their bottom-line results.

Successful salespeople define the specific results that practically guarantee success. Then, they ruthlessly arrange daily priorities to invest 80 percent of their time into the 20 percent of work with the greatest results payout. Since there is only so much time in the day for contacting customers, and there are so many demands on their time, successful salespeople value time and use it wisely by carefully planning their day's activities. Effective time management is a must. Which customer will be called on, what product will be presented, and how to present it must be planned carefully.

**Ask Questions  
and Then Listen to  
Uncover Customer  
Needs**

Joe Gandolfo, who sold more than *\$1 billion* of life insurance in a single year, has a sign on his office wall that reads, "God gave you two ears and one mouth, and He meant for you to do twice as much listening as talking."

Good salespeople are good listeners. They ask questions to uncover prospects' needs and then listen as prospects answer the questions and state their needs. Then, they show how their products will fulfill these needs. The ability to identify and meet customer needs separates the successful salesperson from the average salesperson. To meet customers' needs successfully, you must provide service.

**Serve Your  
Customer**

The most important characteristic for establishing a lasting sales relationship with a customer is willingness to provide service. Customers must believe that you care about them and their welfare. Successful salespeople respect their customers, treat them fairly, like them, and develop a good working relationship with them that is like a partnership. They provide outstanding service to each person. These factors help them to earn the respect of customers and to be considered professional businesspeople with ethics.

**Be Physically and  
Mentally Prepared**

With physical preparedness comes mental strength. According to the medical community, exercise elevates the mood by increasing energy and simultaneously secreting adrenaline-like substances in the body that act as stimulants and antidepressants. This increased feeling of well-being transmits itself to the body and mind.

## MAKING THE SALE

### What Is Your Value?

**T**op-performing salespeople are always striving to be the best they can be. Each of us has control of our destiny. We will be what we want to be. Consider, for example, a plain bar of iron that is worth about \$5. Made into a horse-shoe, it's worth about \$11; made into screwdrivers, it's worth about \$15; made into needles, it's worth about \$3,500. The same is true for another kind of material—YOU! Your value is determined by what you decide to make of yourself.

Knowing that you are in shape to deal with today and tomorrow is an important component of being successful. Being in shape is a mental and physical process. Remember, the mind is like a muscle in one respect: It deteriorates if unused. Confidence and enthusiasm persuade us to engage our minds and bodies. That kind of mood is bound up, in turn, in how we feel about ourselves physically.

You have options for improving your physical conditioning. Ten minutes of aerobic exercise per day will improve cardiovascular fitness if you can't wedge 30- to 60-minute exercise periods into your schedule three to five times per week.

Newspapers, television, radio, magazines, and the Internet continually have information on the positive aspects of exercise. They also discuss diet. What we choose to eat, drink, and smoke directly influences our physical and mental processes. Learn about the dietary and physical aspects of your body. You need everything at your disposal to succeed in today's competitive marketplace. The status of your body, mind, and soul directly influences your performance level.

### RELATIONSHIP SELLING

Salespeople are no longer adversaries who manipulate people for personal gain. They want to be consultants, partners, and problem solvers for customers. Their goal is to build a long-term relationship with clients. Salespeople seek to benefit their employer, themselves, and customers.

In recent years, the distinction between a salesperson and a professional has blurred because the salesperson of today is a pro. Many salespeople know more about their field and product than the buyer does. This expertise enables the seller to become the buyer's partner, a counsellor on how to solve problems. Today's salesperson professionally provides information that helps customers make intelligent choices to achieve their short- and long-term objectives. Service and follow-up are then provided to ensure satisfaction with the purchase. This sequence builds *customer loyalty*—a relationship.

Exhibit 1-7 shows the four main elements in the customer relationship process used by salespeople to build relationships. They analyze customers' needs, recommend a solution and gain commitment for the purchase, implement the recommendation, and maintain and grow the relationship.

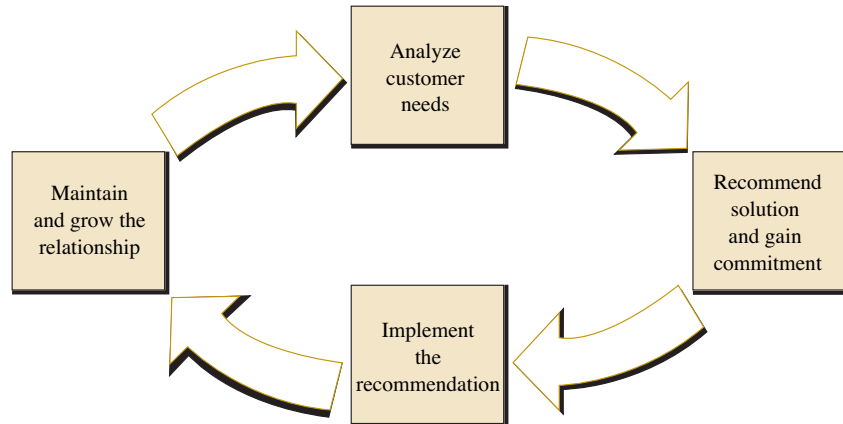
### SALES JOBS ARE DIFFERENT

As you can see, sales jobs are different from other jobs in several ways. Here are some major differences:

- Salespeople represent their companies to the outside world. Consequently, opinions of a company and its products are often formed from impressions left by the sales force. The public ordinarily does not judge a firm by its office or factory workers.

**EXHIBIT 1-7**

Main elements in the customer relationship process



- Other employees usually work under close supervisory control, whereas the outside salesperson typically operates with little or no direct supervision. Moreover, to be successful, salespeople must often be creative, persistent, and show great initiative—all of which require a high degree of motivation.
- Salespeople probably need more tact, diplomacy, and social poise than other employees in an organization. Many sales jobs require the salesperson to display considerable emotional and social intelligence in dealing with buyers.
- Salespeople are among the few employees authorized to spend company funds. They spend this money for entertainment, transportation, and other business expenses.
- Some sales jobs frequently require considerable travelling and time spent away from home and family. At times, salespeople deal with customers who seem determined not to buy the sellers' products. These challenges, coupled with the physical demands of long hours and travelling, require mental toughness and physical stamina rarely demanded in other types of jobs.

Selling is hard work! It requires intelligence, the desire to achieve, and the ability to overcome difficulties.

## MAKING THE SALE

### What Is a Customer?

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>■ Customers are the most important people in any business.</li> <li>■ Customers are not dependent on us. We are dependent on them.</li> <li>■ Customers are not an interruption of our work. They are the purpose of it.</li> <li>■ Customers do us a favour in doing business with us. We aren't doing customers a favour by waiting on them.</li> <li>■ Customers are part of our business—not outsiders. Customers are not just money in the cash register.</li> </ul> | <ul style="list-style-type: none"> <li>Customers are human beings with feelings, and they deserve to be treated with respect.</li> <li>■ Customers are people who come to us with needs and wants. It is our job to fill them.</li> <li>■ Customers deserve the most courteous attention we can give them.</li> <li>■ Customers are the lifeblood of this and every business. Customers pay your salary. Without customers we would have to close our doors.</li> <li>■ Don't ever forget it!</li> </ul> |
|--|--|

## WHAT DOES A PROFESSIONAL SALESPERSON DO?

The salesperson's roles or activities can vary from company to company, depending on whether sales involve goods or services, the firm's market characteristics, and the location of customers. For example, a salesperson selling Avon products performs similar, but somewhat different, job activities from the industrial salesperson making sales calls for General Electric.

Most people believe that a salesperson only makes sales presentations, but there is much more to the job than person-to-person selling. The salesperson functions as a **territory manager**—planning, organizing, and executing activities that increase sales and profits in a given territory. A sales territory comprises a group of customers assigned within a geographical area. Exhibit 1–8 indicates a few typical activities of a salesperson. As manager of a territory, the salesperson performs the following nine functions.

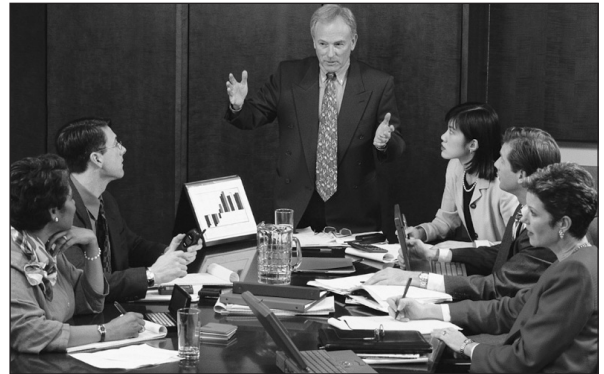
1. **Creates new customers.** To increase sales and replace customers that will be lost over time, many types of sales jobs require a salesperson to prospect. Prospecting is the lifeblood of sales because it identifies potential customers. Salespeople locate people or organizations that have the potential to buy their products. The salespeople need the ability to *close*, or make the sale.
2. **Sells more to present customers.** Tomorrow's sales come from selling to new customers and selling present customers again, and again, and again.

### EXHIBIT 1–8

A professional salesperson . . .



. . . helps meet the needs and solve the problems of the customer



. . . makes presentations to new and current customers



. . . sells to wholesalers and distributors



. . . handles customer complaints



3. **Builds long-term relationships with customers.** Earning the opportunity to sell a present customer more product means the salesperson must have a positive, professional business relationship with people and organizations who trust the salesperson and the products purchased.
4. **Provides solutions to customers' problems.** Customers have needs that can be met and problems that can be solved by purchasing goods or services. Salespeople seek to uncover potential or existing needs or problems and show how the use of their products or services can satisfy needs or solve problems.
5. **Provides service to customers.** Salespeople provide a wide range of services, including handling complaints, returning damaged merchandise, providing samples, suggesting business opportunities, and developing recommendations on how the customer can promote products purchased from the salesperson.

If necessary, salespeople may occasionally work at the customer's business. For example, a salesperson selling fishing tackle may arrange an in-store demonstration of a manufacturer's products and offer to repair fishing reels as a service to the retailer's customers. Furthermore, a manufacturer may have its salespeople sell to distributors or wholesalers. Then, the manufacturer's representative may make sales calls with the distributor's salespeople to aid them in selling and providing service to the distributor's customers.
6. **Helps customers resell products to their customers.** A major part of many sales jobs is helping wholesalers and retailers resell the products that they have purchased. The salesperson helps wholesale customers sell products to retail customers and helps retail customers sell products to consumers.

Consider the Quaker Oats salesperson selling a product to grocery wholesalers. Not only must the wholesaler be contacted but also grocery retailers must be called on, sales made, and orders written up and sent to the wholesaler. In turn, the wholesaler sells and delivers the products to the retailers. The Quaker Oats salesperson also develops promotional programs to help the retailer sell the firm's products. These programs involve supplying advertising materials, conducting store demonstrations, and setting up product displays.
7. **Helps customers use products after purchase.** The salesperson's job is not over after the sale is made. Often, customers must be shown how to obtain full benefit from the product. For example, after a customer buys an IBM computer system, technical specialists help the buyer learn how to operate the equipment.
8. **Builds goodwill with customers.** A selling job is people-oriented, entailing face-to-face contact with the customer. Many sales are based, to some extent, on friendship and trust. The salesperson needs to develop a personal, friendly, businesslike relationship with everyone who may influence a buying decision. This ongoing part of the salesperson's job requires integrity, high ethical standards, and a sincere interest in satisfying customers' needs.
9. **Provides company with market information.** Salespeople provide information to their companies on such topics as competitors' activities, customers' reactions to new products, complaints about products or policies, market opportunities, and their job activities. This information is so important for many companies that their salespeople are required to send in weekly or monthly reports on activities of the firm's competition in their territory. Salespeople are a vital part of their employers' information retrieval system.



**EXHIBIT 1-9**

What does a professional salesperson do?

1. Creates new customers.
2. Sells more to present customers.
3. Builds long-term relationships with customers.
4. Provides solutions to customers' problems.
5. Provides service to customers.
6. Helps customers resell products to their customers.
7. Helps customers use products after purchase.
8. Builds goodwill with customers.
9. Provides company with market information.

**Reflect Back**

Review the nine functions shown in Exhibit 1-9 to see whether you could do any or all of them. Carefully think about the second and third functions. To be successful, a salesperson must close sales and build relationships with the same person or organization in order to sell more. To do both is challenging to any person. It requires salespersons to solve problems, provide service, help resell, teach how to use the product, build goodwill, and keep their employer up to date on customers' needs and feelings toward the product and service.

This book is about these nine functions and much more. When combined and properly implemented, these nine job activities produce increased sales for the organization and more rewards for the salesperson. An example of how a salesperson integrates these activities will help you to better understand the sales job. See the Making the Sale box "A Typical Day for a Xerox Salesperson."

**RELATIONSHIP  
MARKETING**

Organizations today target new and present customers. The emphasis is shifting from selling customers *today* to creating customers for *tomorrow*. Thus, business is finally beginning to think more long term than short term.

**Relationship marketing** is the creation of customer loyalty. Organizations use combinations of products, prices, distribution, promotions, and service to achieve this goal. Relationship marketing is based on the idea that important customers need continuous attention.

An organization using relationship marketing is not seeking a simple sale or transaction. It has targeted a major customer that it would like to sell now and in the future. The company wants to demonstrate to the customer that it has the capabilities to serve the account's needs in a superior way, particularly if a *committed relationship* can be formed. The type of selling needed to establish a long-term collaborative relationship is complex. General Motors, for example, prefers suppliers who can sell and deliver a coordinated set of goods and services to many locations, who can quickly solve problems that arise in their different locations, and who can work closely with them to improve products and processes.

Most companies, unfortunately, are not set up to meet these requirements. Today, the level of customer relationships varies. Many organizations still sell customers and then forget them. Other organizations develop a close relationship—even a partnership—with their customers.

## MAKING THE SALE

### A Typical Day for a Xerox Salesperson

**Y**ou are responsible for sales coverage, time, and budget. Help is available and you'll have plenty of marketing and service support, but you're expected to work independently, without constant direction.

Your day is devoted primarily to customer contact. Potential customers may phone the branch and ask to see a Xerox representative. More likely, however, you will acquire customers by making appointments or by visiting businesses to meet the decision makers, discuss their needs, and offer solutions to their problems. As part of your position, you'll make product presentations, either at the Xerox branch office or at the customer's office. You will also spend a fair amount of time on the telephone following up leads, arranging appointments, and speaking with managers in a variety of businesses and organizations.

In working with customers, you'll need to solve a number of problems. What Xerox product best fits the customer's

needs? How do Xerox products compare with the competition? Should the machine be purchased or leased? What's the total cash outlay—and per-copy cost—for the machine and its service? How should the product be financed? Where should the machine be placed for maximum efficiency? What training is needed for employees? How can Xerox products meet future office needs?

You'll also be engaged in a number of customer support activities, such as expediting product deliveries, checking credit, writing proposals, and training customer employees in the use of the product. You also might refer customers to other Xerox sales organizations and make joint calls with representatives from these organizations.

Each day will bring you new challenges to face and problems to solve. Your days will be busy and interesting.<sup>2</sup>

### LEVELS OF RELATIONSHIP MARKETING

What type of relationships should an organization have with its customers? Is the cost of keeping a relationship worth it? To answer these questions, let's define the three general levels of selling relationships with customers:

- **Transaction selling:** customers are sold and not contacted again.
- **Relationship selling:** the seller contacts customers after the purchase to determine whether they are satisfied and have future needs.
- **Partnering:** the seller works continually to improve the customers' operations, sales, and profits.

Most organizations focus solely on the single transaction with each customer. When you go to McDonald's and buy a hamburger, that's it. You never hear from them again unless you return for another purchase. The same thing happens when you go to a movie, rent a video, open a bank account, visit the grocery store, or have your clothes cleaned. Each example involves low-priced, low-profit products. Also involved are a large number of customers who are geographically dispersed, making it very difficult and quite costly to contact customers. The business is forced to use transactional marketing.

Relationship marketing focuses on the transaction—making the sale—along with follow-up and service after the sale. The seller contacts the customer to ensure satisfaction with the purchase. The Cadillac Division of General Motors contacts each buyer of a new Cadillac to determine the customer's satisfaction with the car. If that person is not satisfied, General Motors works with the retailer selling the car to make sure the customer is happy.

Partnering is a phenomenon of the 1990s. Businesses' growing concerns over the competition not only in Canada but also internationally revitalized their need

to work closely with important customers. The familiar **80/20 principle** states that 80 percent of sales often come from 20 percent of a company's customers. Organizations now realize the need to identify their most important customers and designate them for their partnering programs. The organization's best salespeople are assigned to sell and service these customers.

### **Selling Is for Large and Small Organizations**

Many textbook examples are from big business, typically because readers recognize the Ford Motor Company or McDonald's. Even though Canada's large organizations are easily recognizable and extremely important to our prosperity, it is easy to overestimate the importance of big business because of its greater visibility. Small businesses seem dwarfed by such corporate giants as General Motors and IBM. Yet small firms, even though less conspicuous, are a vital component of our economy.

Small business contributes significantly to our economy. The Canadian Federation of Independent Business represents approximately 100,000 small and medium-sized enterprises (SMEs) across Canada. Recent statistics indicate that this sector is creating the majority of job growth in Canada. Fifty-eight percent of all Canadian employment is contributed by small and medium-sized businesses (companies with fewer than 500 employees). Further, 36 percent of Canadian employment is contributed by small business (fewer than 50 employees) and this sector has shown the most employment growth in our economy.

Small enterprises run the gamut from a corner news vender to a developer of optical fibres. Small-business owners sell gasoline, flowers, and coffee to go. They publish magazines, haul freight, teach languages, and program computers. They make wines, motion pictures, and high-fashion clothes. They build new homes and restore old ones. They repair plumbing, fix appliances, recycle metals, and sell used cars. They drive taxicabs, run cranes, and fly helicopters. They drill for oil, quarry sand and gravel, and mine exotic ores. They forge, cast, weld, photoengrave, electroplate, and anodize. They also invent antipollution devices, quality control mechanisms, energy-saving techniques, microelectronic systems—the list could go on for volumes.

Often, small-business entrepreneurs cannot compete head to head with giant firms. However, most large firms started small and then prospered by using many of the concepts, ideas, and practices discussed in this textbook. Due to this fact, we use many small-business examples throughout the textbook.

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### **THE PLAN OF THIS TEXTBOOK**

Personal selling and the sales job involve much more than you might have imagined. The plan of this textbook provides you with the *fundamentals* of what selling is all about. Some of the major topics you will study include

- The role of the sales force in the firm's marketing efforts.
- Why people and organizations buy what they do.
- Verbal and nonverbal communications.
- The importance of knowing your and your competition's products.
- An in-depth discussion of the selling process.
- Self, time, and sales territory management.
- Retail, business, services, and nonprofit selling.
- The external environment—social and legal issues in selling.

Salespeople are managers of the sales generated from their customers. There is much to know if you want to be a successful sales professional.

**EXHIBIT 1–10**

Ten important steps in the customer relationship selling process

1. *Prospecting*. Locating and qualifying prospects.
2. *Preapproach*. Obtaining interview; determining sales call objective; developing customer profile, customer benefit program, and sales presentation strategies.
3. *Approach*. Meeting prospect and beginning customized sales presentation.
4. *Presentation*. Further uncovering needs; relating product benefits to needs using demonstration, dramatization, visuals, and evidence statements.
5. *Trial close*. Asking prospects' *opinions* during and after presentation.
6. *Objections*. Uncovering objections.
7. *Meet objections*. Satisfactorily answering objections.
8. *Trial close*. Asking prospect's *opinion* after overcoming each objection and immediately before the close.
9. *Close*. Bringing prospect to the logical conclusion to buy.
10. *Follow-up and service*. Serving customer after the sale.

### **BUILDING RELATIONSHIPS THROUGH THE SALES PROCESS**

Much of your course will revolve around the sales process. The **sales process** refers to a sequence of actions by the salesperson that leads toward the customer taking a desired action and ends with a follow-up to ensure purchase satisfaction. This desired action by a prospect is usually buying, which is the most important action. Such desired actions also can include advertising, displaying, or reducing the price of the product.

In the course of a normal work week, many salespeople have to play the role of detective, researcher, listener, educator, entertainer, persuader, negotiator, and supporter. The many activities that make up a salesperson's day or week may appear haphazard to the casual observer, but they are actually part of a step-by-step process.

The sales process is a logical series of 10 steps that if followed increase the chances of not only making a sale but also creating a customer. These 10 steps are briefly listed in Exhibit 1–10 and are discussed in detail in the following chapters.

### **SUMMARY OF MAJOR SELLING ISSUES**

Personal selling is an old and honourable profession. It has helped improve this country's standard of living and provided benefits to individual buyers through the purchase of products. Millions of people have chosen a sales career because of the availability of sales jobs, the personal freedom sales provides, its challenge, the multitude of opportunities for success, and its nonfinancial and financial rewards.

### **ETHICAL DILEMMA**

#### **Mexico, Here I Come**

**A**s you come to the end of your presentation, you realize one of your best customers—John Adams—may not buy. John and you have become friends over the past three years. Losing this sale will result in your missing out on a \$500 bonus, forfeiting a chance to win a trip to Mexico, and failing to reach your sales quota for the year.

When you finish, John says, “We can't buy.” You then explain your situation to John. He says, “Well, why don't

you ship the merchandise to me. After the contest is over but before it's time to pay for it, I will ship it back to your company or you can transfer it in small quantities to several of your customers. That way you'll get credit for the sale.” You know your boss will not mind because if you reach your sales quota he will also look good and be rewarded.

What do you do?

A person can become a successful salesperson through company and personal training and by properly applying this knowledge while developing skills and abilities that benefit customers. Also important are believing in the product or service being sold, working hard, wanting to succeed, and maintaining a positive outlook toward both selling and yourself. In addition, a successful salesperson should be knowledgeable, able to plan, and able to use selling time wisely. Effective salespeople are good listeners who provide service to customers. En route to success, salespeople develop a range of skills through study and practice, enhancing their ability to think strategically, relate to others, and understand the technical aspects of their business.

The remainder of this book expands on these topics to provide you with the background either to improve your present selling ability or to help you decide whether a sales career is right for you.

### MEETING A CAREER CHALLENGE

In reviewing the example at the start of the chapter, let's compare your advice with Chin Lee's career decision.

Without any formal training in sales and after a very shaky start as a computer technician, Chin was given a transfer to the sales department.

After making the transfer, he said, "I quickly learned that training is essential for success—especially in sales. In retrospect, I wish I had had the opportunity to take a sales course as part of my computer technology studies."

Chin has become one of the top salespeople at his company. His advice if you ever have to meet the same challenge—"If you don't have it, get training. Your confidence increases, and when it does, your performance improves. Moving into a sales career is the best move I have made. I highly recommend a career in sales."

### KEY TERMS FOR SELLING

career path	10	partnering	24
80/20 principle	25	personal selling	3
empathy	17	relationship marketing	23
financial rewards	11	relationship selling	24
nonfinancial rewards	11	sales process	26
order-getters	8	territory manager	21
order-takers	8	transaction selling	24

### SALES APPLICATION QUESTIONS

- The term salesperson refers to many types of sales jobs. What are the major types of sales jobs available?
- If you were the sales manager for a fast-growing cell phone company and were asked by your boss to hire 15 new salespeople ASAP, what would you look for on applicants' résumés to help you develop a short list of those you would like to interview?
  - What type of compensation and incentive plan would you like to offer new recruits?
- People choose a particular career for many reasons. What are some reasons someone might give for choosing a sales career?

4. “A career in sales is a career in dishonesty and crookedness.” Formulate a constructive argument against this position, citing information from Chapter 1.
5. Those new to a sales job often experience some feelings of anxiety and fear. What advice would you give to a sales rookie to help him or her develop a confident attitude?

### **SALES WORLD WIDE WEB EXERCISE**

Looking for a job? Would you consider a sales job? Want to find out more about a sales career? The answers to these questions are found on the World Wide Web. The Internet has so much information about careers that we can only give you some examples of useful Web sites.

### **Find out about a Career in Sales!**



<www.marskell.com/>  
 <www.canadacareers.com/>  
 <http://careerbeacon.com>  
 <www.careerbuilder.com>  
 <www.careers.org/>  
 <www.pharmaceutical-sales.com/>  
 <www.shsinc.com/>  
 <www.monster.ca>  
 <www.hrsdc.gc.ca>  
 <www.cpsa.com>  
 <www.salesexcellence.com>  
 <www.business.com>  
 <working.canada.com>  
 <www.workopolis.com>  
 <www.careers.org>

In addition, look at your school’s home page. Many schools refer you to career opportunities. You should also go to the Web site of a specific company. Many companies have hyperlinks from their home page to their job openings. Try finding career opportunities for several of the organizations listed in the Sales World Wide Web Directory located at the back of this book.

### **FURTHER EXPLORING THE SALES WORLD**

1. Interview one or more salespeople and write a brief report on what they like and dislike about their jobs, why they chose a sales career, what activities they perform, and what they believe it takes to succeed at selling their products.
2. Contact your school’s placement office and report on what they believe firms recruiting people for sales positions look for in applicants.
3. Visit the Canadian Professional Sales Association Web site (<http://cpsa.com>). Describe the steps that one would need to take to become certified; that is, to receive the CSP designation.

## SELLING EXPERIENTIAL EXERCISE

### Are You a Global Traveller?

Our global environment requires that Canadian sales personnel learn to deal effectively with people in other countries. The assumption that foreign business leaders behave and negotiate in the same manner as Canadians is false. How well prepared are you to live with globalization? Consider the following items, writing the numbers reflecting your views on another sheet of paper.

Are you guilty of	Definitely No			Definitely Yes	
	1	2	3	4	5
1. Being impatient? Do you think “Time is money” or “Let’s get straight to the point”?	1	2	3	4	5
2. Having a short attention span or bad listening habits, or being uncomfortable with silence	1	2	3	4	5
3. Being somewhat argumentative, sometimes to the point of belligerence?	1	2	3	4	5
4. Being ignorant about the world beyond your borders?	1	2	3	4	5
5. Having a weakness in foreign languages?	1	2	3	4	5
6. Placing emphasis on short-term success?	1	2	3	4	5
7. Believing that advance preparations are less important than negotiations themselves?	1	2	3	4	5
8. Being legalistic and believing a deal is a deal, regardless of changing circumstances?	1	2	3	4	5
9. Having little interest in seminars on the subject of globalization, failing to browse through international topics in libraries or magazines, or not interacting with foreign students or employees?	1	2	3	4	5
Total Score _____					

Add up your score. If you scored less than 27, congratulations. You have the temperament and interest to do well in a global company. If you scored more than 27, it’s time to consider a change. Regardless of your score, go back over each item and make a plan of action to correct deficiencies indicated by answers of 4 or 5 to any question.<sup>3</sup>

### CASE 1–1 What They Didn’t Teach Us in Sales Class\*

Rick Lester was depressed. He was cold and damp from the rain as he sat in his van in the parking lot of a Food World supermarket. He had just telephoned the Nabisco division sales office and talked with Helen, the office secretary. Rick had asked her, “What are we supposed to do when it rains like this?” Rick could hear her repeat the question to Mr. Brown, the division sales manager, who just happened to be in the office. Rick could hear the reply in the background, “Tell him to buy a raincoat!” When Helen repeated the response, Rick replied to her, “OK, have a nice day” with a slightly embarrassed tone in his voice. As he hung up the pay phone and sat back in his van he thought, “What a heck of a way to make a living.”

As a new salesman, it was clear that Rick had much to learn. He had only been on the job for one month, but he had about decided that it was no “piece of cake.” It had all seemed so much easier when he watched Mr. Brown make calls during his two-week on-the-job training period. Now that he was making calls on his own, it was

\*This case was written by Gerald Crawford and R. Keith Absher, professors of marketing, and William S. Stewart, professor of management, University of North Alabama, Florence, Alabama 35632.



**CASE 1-1**

quite different and much more difficult. Interestingly, the sales class Rick had taken at the University of Alabama at Birmingham the previous year had covered many reasons to go into selling, but few disadvantages of pursuing a career in sales. Rick was now learning about these firsthand.

Rick's family—his parents and two younger sisters—had lived in Birmingham for many years. Mr. Lester was a salesman, and Mrs. Lester was a homemaker. Rick was an average student in high school, where he really majored in athletics and cheerleaders. After high school he accepted a partial athletic scholarship to Northwest Mississippi Junior College. His grades in college were about average overall but were low in basic math classes. The chief reason he selected business as his major was that it required no algebra. Following two years in Mississippi, Rick transferred to the University of Alabama at Birmingham and continued to work toward a B.S. degree in marketing. He met a nice girl there, and they later married when he graduated from UAB. There had been three specific job opportunities, all in sales, but he chose the job with Nabisco because it was a big company with many benefits. He also thought highly of Mr. Brown, the local recruiter and division sales manager.

Rick started to work on September 1. The first week was spent reviewing sales-training manuals and completing employment paperwork. He also stocked his new van with merchandise, advertising materials, and displays. The following two weeks were spent “working the trade” with Mr. Brown, who made most of the calls while Rick learned by observing. Toward the end of the third week of employment, Rick was starting to make the sales presentations while Mr. Brown observed. They would discuss each call after they returned to the van. During the fourth week, Rick worked alone. The present week had been difficult . . . there was so much he didn't know. On Friday it rained, and this was not helpful. It was about two o'clock when he called the office and was told to buy a raincoat.

As he sat in the van waiting for the rain to let up, he began thinking about the situation in which he now found himself, and it was depressing. The rain was not the only reason for his low morale. He thought about his wife and how she had told her friends that Rick was in public relations rather than sales. Although they had not discussed it, Rick assumed that she did not particularly like the title *salesman*. Somewhere in the back of Rick's thoughts, there was clearly an image that selling has low occupational status. Maybe it came from his father. He couldn't remember. Another troublesome aspect of the new job was the calloused way that some retailers treat all salespeople. Others simply try to brush them off or avoid them altogether. This job, Rick thought, certainly does not build up one's ego.

There are other negative aspects of being in sales. One is that selling is physically demanding. It is a requirement to carry the sales bag into all calls. Properly loaded, Rick's sales bag weighed 38 pounds and contained advertising materials, new products, sample merchandise, a stapler, and the selling portfolio. In addition, in some calls, salespeople must transport cases of merchandise from the storage area to the shelves. A great deal of bending and lifting is simply a part of the routine workday. By quitting time each day, Rick's clothing was wrinkled and damp from perspiration. Yesterday he had snagged a hole in the trousers of his new suit.

At the end of each day, Rick had to prepare reports and mail them to the home office. It was also necessary to reorganize and restock the van for the next day's work. Sometimes there were telephone calls that had to be made. By the time these chores

**CASE 1-1**

were completed, it was almost bedtime. There was not much time left to spend with his new wife, and she had mentioned this a time or two.

The last annoying concern involved the knowledge that a good part of his success, or lack of it, depended on events over which he had no control. In several calls this week, a competitor had persuaded dealers to reduce shelf space for Nabisco products. These dealers reported that the competitor had a special promotion going on and the deal was just too good to pass up. There was no way that Rick could recover the lost shelf space in those calls. This did not look good on the salesperson's daily report.

As the rain continued to come down, Rick felt very alone. Mr. Brown was not there to help or provide answers. The physical and emotional obstacles just seemed too big to overcome. The only way out of this mess, it seemed, was to quit this job and try to find another one that was not this depressing. "Maybe I could get a job in a bank, where customers are always nice and the work is easier," Rick thought. As he started his van and drove away toward the division office, he felt relieved that he would soon be free of this impossible responsibility.

**Questions**

1. Should Rick Lester "turn in his keys"?
2. How should Mr. Brown handle this situation? What should he say to Rick?
3. How can firms reduce high turnover among new sales personnel?
4. What can firms do to increase salesperson status?
5. What can professors do to better prepare students in sales classes?